

A woman with dark hair, wearing a red sweater, is looking down at a laptop. She is standing on a staircase with white railings. A large, bold, red 'MTG' logo is superimposed over the center of the image, partially obscuring the woman and the laptop.

# MTG

**Plan to split MTG into two listed companies**

# Today's presenters



**Jørgen Madsen Lindemann**

MTG President &  
Chief Executive Officer



**Anders Jensen**

MTG Executive Vice President;  
CEO of Nordic Entertainment

# Why we are here?

**MTG – the starting point**

**Proposal to split MTG into two separate listed companies**

**Nordic Entertainment Group**

**New MTG**

# 2017 was MTG's best year yet

**8% organic sales  
growth & 19% profit  
growth**

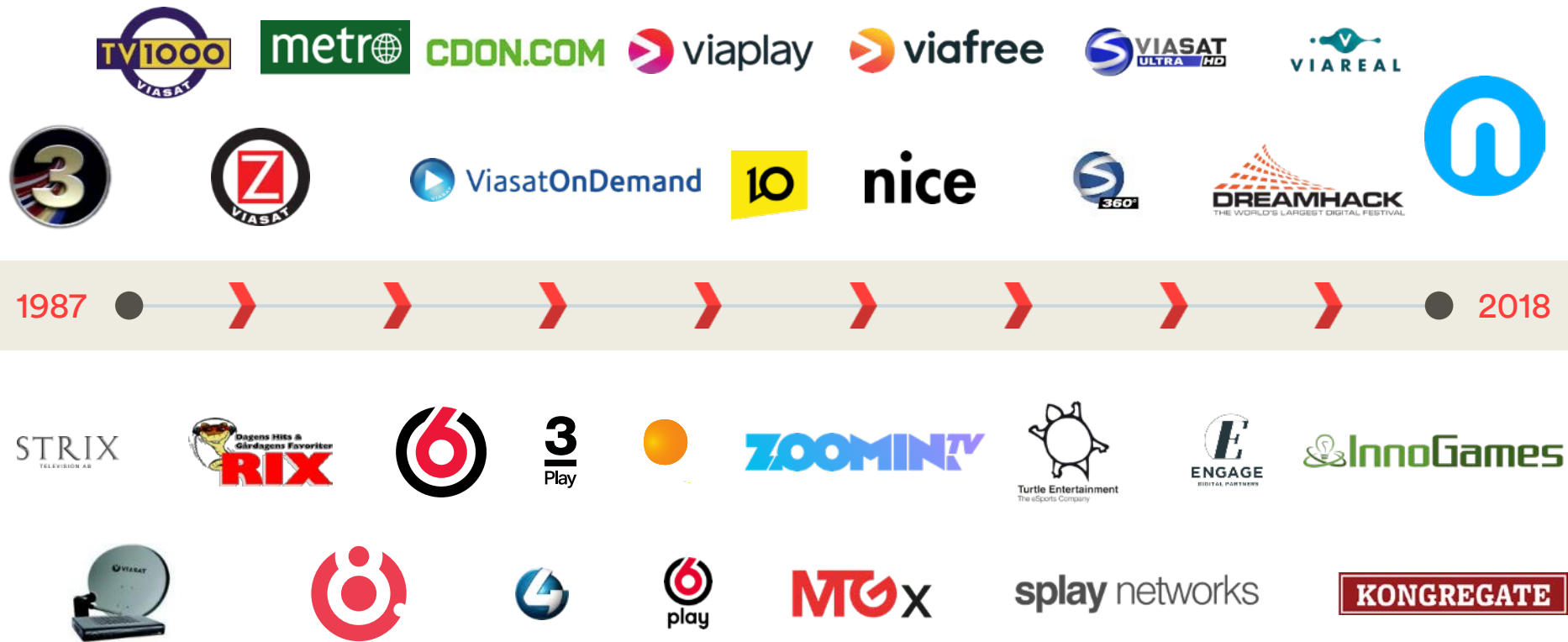
**7% Nordic Ent.  
organic sales growth  
& 15% profit growth**

**37% MTGx organic  
sales growth &  
EBITDA profitable**

**33% total  
shareholder return**



# We never stand still – transformation is in our DNA



# Digital transformation & portfolio management



Refers to acquisitions and divestments from 2015 onwards  
\* Bulgaria is expected to close in H2 2018

# Plan to split MTG into two listed companies



## New MTG

- A pure play in digital entertainment
- Comprising esports (ESL & DreamHack), online gaming (InnoGames & Kongregate), Zoomin.TV, and other investments
- CEO: Jørgen Madsen Lindemann
- CFO: Maria Redin
- Company name: MTG
- Shares will remain listed on Nasdaq Stockholm
- HQ at Skeppsbron, Sweden



## Nordic Entertainment Group

- Nordics leading entertainment provider
- Comprising Nordic Entertainment, MTG Studios and Splay Networks
- CEO: Anders Jensen
- CFO: Gabriel Catrina
- Company name: Nordic Entertainment Group
- Shares will be distributed to MTG shareholders and listed on Nasdaq Stockholm
- HQ at Ringvägen, Sweden

# Compelling rationale – the natural next step

## 1 Strategic

- Greater focus & clarity
- Serving different target markets
- Adapting faster to market dynamics

## 2 Operational

- Aligned accountability & incentivisation
- Simpler decision making
- Attracting highly skilled talent

## 3 Financial

- Distinct investment cases & equity stories
- Facilitates separate funding models & capital allocation
- Enables fair valuation of both businesses



# Nordic Entertainment Group operations

Norway	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
Free TV <b>3 4 6</b>	AVOD streaming <b>viafree</b>

Denmark	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
Free TV <b>3 4 5 6 7 8 9 10</b>	AVOD streaming <b>viafree</b>

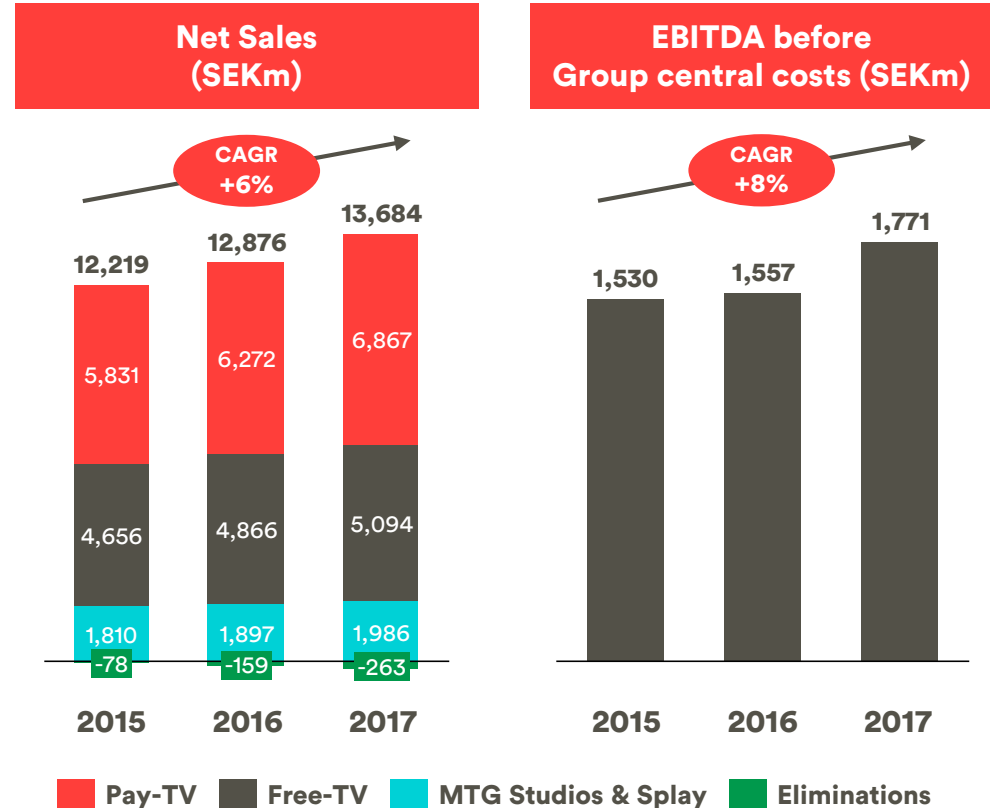
MTG Studios (17 countries)	



Sweden	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
Free TV <b>3 4 5 6 7 8 9 10</b>	AVOD streaming <b>viafree</b>
Radio 	
Triple Play <b>VIASAT</b>	
Finland	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
AVOD streaming <b>viafree</b>	
Splay Networks	

# Nordic Entertainment Group – a powerhouse

- Leading entertainment provider with a uniquely integrated structure
  - Nordic Entertainment: Pay- & Free-TV + leading pay and free streaming services
  - MTG Studios: Nordic's leading content production company
  - Splay: Nordic's leading digital video network
- Undisputed content leadership: sports, acquired content & top quality original productions from MTG Studios and Splay
- Leading digital positions through Viaplay, Viafree, Viareal, I Like Radio & Splay
- Digital revenues increased by 31% in 2017 to account for 19% of total sales



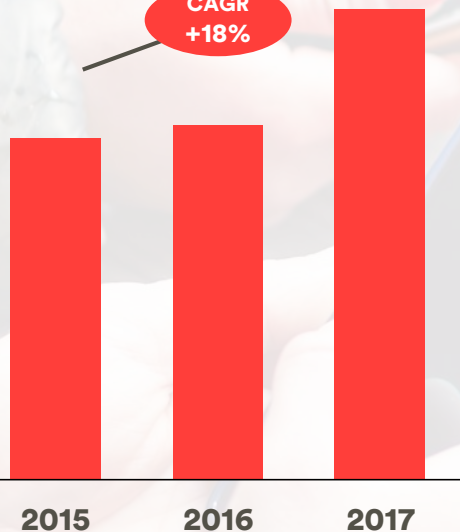
Note: USD transaction headwind on EBIT amounted to SEK 187m, 184m and 78m for 2015, 2016 and 2017 respectively

# Nordic Entertainment Group digital growth drivers



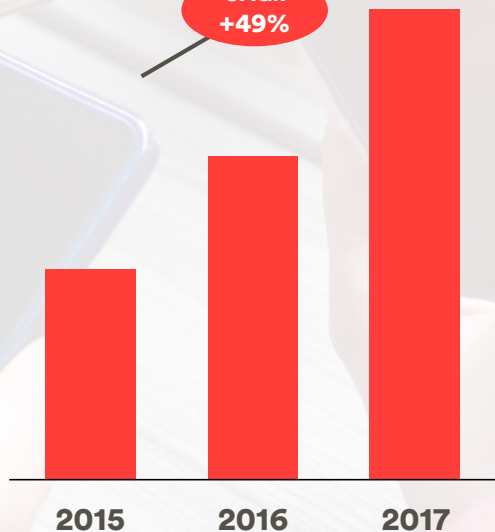
Started streams

CAGR  
+18%



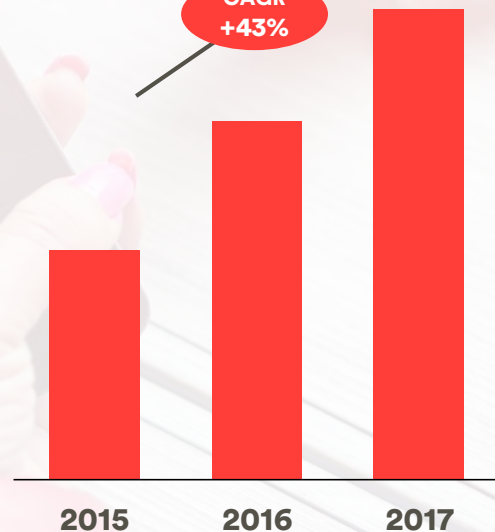
Started streams

CAGR  
+49%



BTV subs

CAGR  
+43%

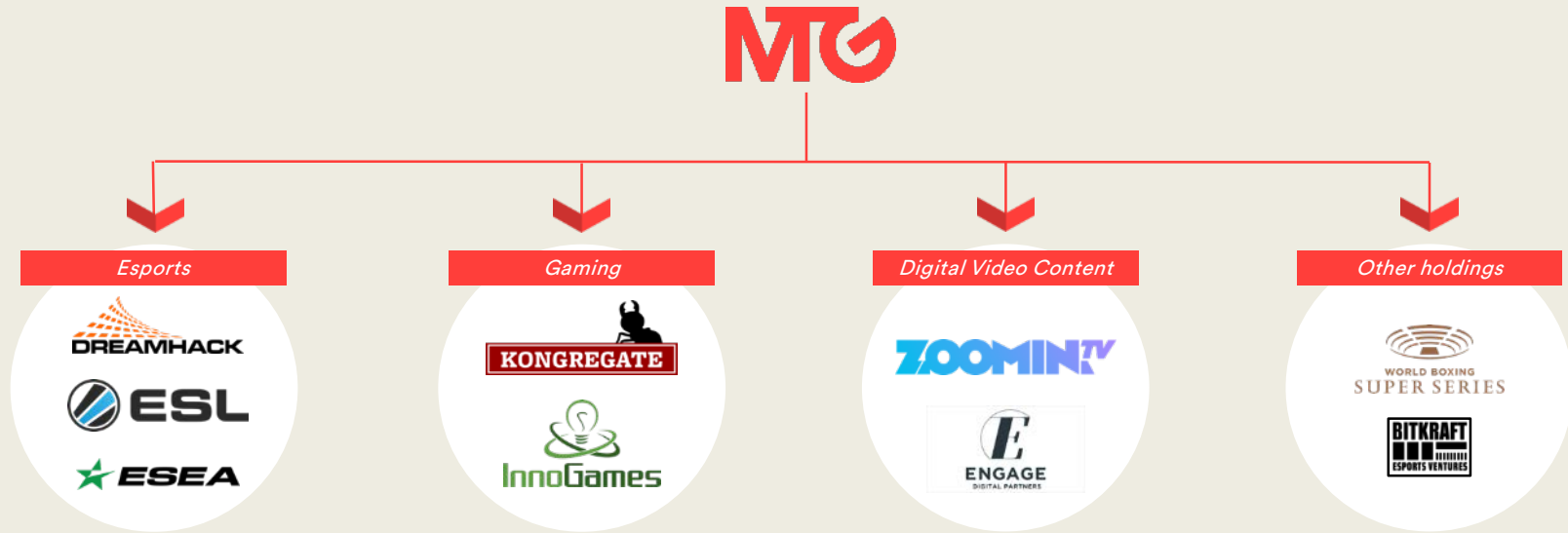


# Nordic Entertainment Group – key priorities

A man with a beard and brown jacket stands in a mountainous landscape, looking towards the camera. The background shows rugged mountains and a valley.

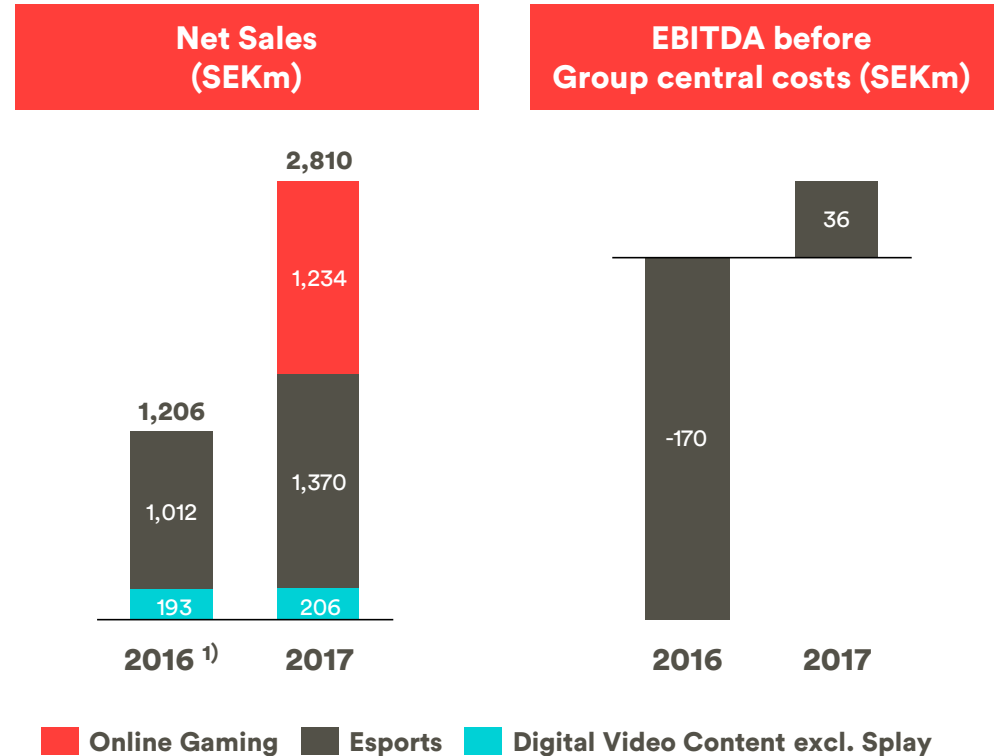
- Capitalise on content and digital leadership positions
- Cost control & continue to shift investments to content & online
- Build a strong international IP, production and distribution house
- Expand product offering in each market
- Look for structural opportunities to drive convergence

# New MTG – digital experiences with a global appeal



# New MTG – a digital hyper-growth story

- A pure-play global digital entertainment company
  - Esports: The world's leading esports company with category brand leaders that are shaping the future of the industry
  - Online gaming: 2 proven concepts with developing & publishing capabilities across all platforms
  - Digital video content: Helps influencers, brands & creators to succeed on digital & social platforms
- Successful M&A record. Investing in globally attractive digital entertainment verticals with portfolio synergies
- VC fund to provide new opportunities to secure access to future M&A targets



<sup>1)</sup> Prize money from 3rd party esports events has been excluded from 2017. FY16 sales would have been SEK 98m lower if presented on the same basis.



# New MTG - key priorities

- **Become Europe's preferred partner for digital entertainment companies around the world**
- **Maintain position as the world's #1 esports company**
- **Further develop our positions in online gaming**
- **Selective M&A to expand position in existing verticals and exploit opportunities in new verticals**
- **Look for strategic partnerships to drive further value creation**

# Summary

- Creates **two publicly listed companies** that are **shaping the future of their respective industries** with leading brands
- Provides both businesses with **improved focus and agility** to capitalise on growth opportunities and **drive shareholder value**
- Provides two distinct investment cases with **clear financial profiles and capital structures**
- **The time is right – decision taken from a position of strength.** Robust financial performance, strong leadership teams and an inspired workforce

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